

Alaska Telephone Association

Jack H Rhyner
President-in-Memoriam
1952 – 2008

Doug Neal
Vice President

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776
www.alaskatel.org

James Rowe
Executive Director
jrowe@alaskatel.org

June 23, 2008

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Federal-State Joint Board on Universal Service, High Cost Universal Service Support*, WC Docket
No. 05-337, CC Docket No. 96-45

Dear Ms. Dortch:

On June 14, 2008 Greg Berberich, CEO of Matanuska Telephone Association, and I met with Nick Alexander, Ted Burmeister, Katie King, Alexander Minard, Jeremy Marcus, Jennifer McKee and Gary Seigel of the Wireline Competition Bureau. We discussed the CETC cap and the Tribal Lands waiver from that cap. In particular, we focused on the intent of the "limited exception" and advocated the same position as addressed in our filing of May 29, 2008 (attached).

In separate meetings the same day we met with Amy Bender, Legal Advisor to Chairman Martin and Scott Deutchman, Legal Advisor to Commissioner Copps. In each instance we advocated the same positions.

Sincerely,



Jim Rowe

cc: Amy Bender
Scott Deutchman
Nick Alexander
Ted Burmeister
Katie King
Alexander Minard
Jeremy Marcus
Jennifer McKee
Gary Seigel

Alaska Telephone Association

Jack H Rhyner
President-in-Memoriam
1952 – 2008

Doug Neal
Vice President

201 E. 56th, Suite 114
Anchorage, AK 99518
(907) 563-4000
FAX (907) 562-3776
www.alaskatel.org

James Rowe
Executive Director
jrowe@alaskatel.org

S

May 29, 2008

Dana Shaffer
Chief
Wireline Competition Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Dear Ms. Shaffer:

We note that on May 19, 2008 representatives of GCI met with you and a number of your staff¹ to discuss the recently released *Interim Cap Order*.² We are not in complete agreement with GCI's understanding of the order or, perhaps more accurately, with what they suggested was meant to be in the order. As footnotes 3 and 4 of their ex parte cite for clarification only their own previous advocacy on these issues, we will focus on the words in the order to discern the Commission's intent.

Opting into the Waiver

In general, the *Interim Cap Order* limits the amount of high-cost support for competitive ETCs in each state, to the total received in March 2008 on an annualized basis (§ 5). A "limited exception" to that cap is offered to CETCs that serve Tribal Lands (§ 32).

In their most recent discussions, GCI casually describes the process of reporting "the number of residential/single line business accounts" and "the number of multiline business accounts," yet the order makes no mention of single line or multiline business accounts. It mentions only *residential* accounts.

As stated in paragraph 33, participation in the limited exception "is voluntary and will be elected by the competitive ETC...." Having used the term "limited exception" three times in this paragraph and having said that CETCs that voluntarily opt in will continue to receive support pursuant to section 54.307, "except that the uncapped per line support is limited to one payment per each *residential* account," are we to understand that the Commission inadvertently omitted business accounts? Apparently GCI believes so. If the Commission had intended accounts other than residential accounts to be included in the *limited exception* it would have mentioned

¹ Ex Parte of GCI filed May 20, 2008, *Federal-State Joint Board on Universal Service, High-Cost Universal Service Support*, WC Docket No. 05-337; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45.

² See *High-Cost Universal Service Support*, WC Docket No. 05-337, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Order*, FCC 08-122 (rel. May 1, 2008) ("*Interim Cap Order*").

them specifically (i.e. “single line business” or “multiline business”) or it would have simply limited the support to “one payment per account.” Neither is the case. Clearly, the Commission intended that universal service support received by a CETC under section 54.307 – identical support – is limited to “one payment per each **residential** account.” It truly is a limited exception. It is limited to Covered Locations (Tribal Lands and Alaska Native regions), it is limited to CETCs that serve those locations, it is limited to CETCs that opt in to the exception, and support is limited to one payment per residential account. Having successfully advocated to maintain access to identical support, even while the business plans of rural CETCs in most of the nation were brought under a semblance of rationality, GCI, the only CETC in Alaska that will “opt in” to the Tribal Land exception, now attempts to expand its opportunity for windfall profits with its post-Order advocacy. We anxiously await confirmation of the FCC’s commitment to its’ own Order as written to stand in contradiction to GCI’s self serving interpretation.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Rowe", with a long horizontal flourish extending to the right.

Jim Rowe

Jim Rowe

cc: Nick Alexander
Jeremy Marcus
Jennifer McKee
Alex Minard